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EXECUTIVE DIRECTORPUBLIC SERVICE
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DIRECTOR
ELECTRIC & GAS REGULATION

RECEIVED

November 21, 2005

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VIA HAND-DELIVERYPSC SC
DOCKETING DEPT.Charles L.A. Terreni
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

Re: Commission Utilities Matters Action Agenda Item – Docket No. 2005-348-E - Application of Duke Power for Approval of the Transfer and Sale of Property, Lake Wylie Training Center in Mecklenburg County, North Carolina.

Dear Mr. Terreni,

This is to acknowledge that the Office of Regulatory Staff has reviewed the above referenced filing and based on the following information we have no objection to the Company's request for approval of the transfer and sale of this property located in North Carolina. Per the Application the property to be sold is known as the Lake Wylie Training Center and is to be sold for \$6,550,000 to Provident Development Group, Inc. a North Carolina corporation. The sale has been pending since July 20, 2004 due to the purchasers due diligence and the required rezoning process. The property site includes operations that have been relocated to newer facilities, consolidated into other Company facilities or moved to more appropriate space, thereby rendering this property surplus and no longer required for the Company's current utility operations. The property consists of approximately 518 acres with three significant structures including a training facility, prefabricated warehouse/training facility, a distribution training facility, and various small storage sheds. Duke Energy marketed the property with the 518 acres after an initial marketing attempt, which included only 20 acres with the training facility, failed to generate any offers. The sale price is within the range of two separate appraisals of the market value of the property. The depreciated book value of the property is \$3,257,660.

Thank you for the opportunity to provide our comments in this matter.

Sincerely,

John W. Flitter

JWF/swb

cc: Dan F. Arnett, Chief of Staff, SC ORS
Florence Belser, General Counsel, SC ORS
William F. Austin, Esquire
Dr. James Spearman, Executive Assistant to SCPSC